

ORG. UNIT: 1130

BUDGET: Corporation Counsel

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE A, #001

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

APPEARANCES:

William Domina, Corporation Counsel

Questions and comments ensued.

ACTION BY: (Broderick) Approve the budget as recommended by the County Executive. 7-0

AYES: McCue, Coggs-Jones, Mayo, *Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

****Supervisor Johnson requested unanimous consent to be recorded as voting Aye on this item. Upon hearing no objections, it was so ordered by Chairman Nyklewicz.***

Supervisor Mayo requested that Mr. Domina provide the Committee with the salaries and fringe benefit rates of all employees in his department and include how the fringe benefit rates impact the department.

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

ORG. UNIT: 1961

BUDGET: Litigation Reserve Account [Non-Departmental]

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE A, #78

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

ACTION BY: (West) Approve Verbal Amendment #1C001 by Supervisor West as set forth below. 7-0

AYES: McCue, Coggs-Jones, Mayo, *Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

***Supervisor Johnson requested unanimous consent to be recorded as voting Aye on this item. Upon hearing no objections, it was so ordered by Chairman Nyklewicz.**

Verbal Amendment #1C001 (copy attached to original minutes) by Supervisor West to amend the County Executive's 2007 Recommended Budget for Org. No. 1961, Litigation Reserve Account as follows:

Reduce the reserve fund allocation by \$50,000, to \$200,000.

This amendment would decrease tax levy by \$50,000.

Org. No.	Department (or Capital Project)	Expenditure	Revenue (or Bonds)	Tax Levy
1961	Litigation Res. Acct.	(\$50,000)		(\$50,000)
TOTALS:				

ACTION BY: (McCue) Approve the budget for Org. Unit 1961 as amended. 7-0

AYES: McCue, Coggs-Jones, Mayo, *Johnson, Broderick, West &
Nyklewicz (Chair) – 7

NOES: 0

****Supervisor Johnson requested unanimous consent to be recorded as voting Aye on this item. Upon hearing no objections, it was so ordered by Chairman Nyklewicz.***

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

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ORG. UNIT: 1019

BUDGET: Office for Persons with Disabilities

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE A, #120

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

APPEARANCES:

Donald Natzke, Director, Office for Persons with Disabilities

Timothy Ochnikowski, Assistant Director, Office for Persons with Disabilities

Mr. Natzke provided comments stating he believes the amount reflected in the budget, insofar as the responsibilities as they presently understand them to be for the office, appear to be adequate resources to meet those responsibilities given no unforeseen difficulties and problems.

Questions and comments ensued.

ACTION BY: (Broderick) Approve the budget as recommended by the County Executive. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

Supervisor Mayo requested that Mr. Natzke provide the Committee with the salaries and fringe benefit rates of all employees in his department and include how the fringe benefit rates impact the department.

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

ORG. UNIT: 1110

BUDGET: Civil Service Commission

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE A, #279

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

APPEARANCES:

Charles McDowell, Director, Human Resources-DAS

Mr. McDowell stated that he wanted to make the Committee aware of one technical change. The Series 6000 can no longer be charged relative to the Civil Service Commission fringe benefits.

ACTION BY: *(Coggs-Jones) Approve the budget as recommended by the County Executive. 7-0*

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

ORG. UNIT: 1135

BUDGET: Labor Relations (New)

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE A, #297

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

APPEARANCES:

Linda Seemeyer, Director, Department of Administrative Services
Charles McDowell, Director, Human Resources-DAS

Questions and comments ensued at length regarding the vacant Director position and the timetable for filling the position in this department.

Supervisor Mayo requested that Mr. McDowell provide the Committee with the salaries and fringe benefit rates of all employees in all the departments he oversees and how the fringe benefit rates impact the departments.

This item was temporarily passed to allow the distribution of a memo from Ms. Seemeyer documenting technical changes (copy attached to original minutes) to the Labor Relations Budget, which she later explained.

ACTION BY: (McCue) Approve the budget as recommended by the County Executive with the corrections as contained in the memo from the Department of Administrative Services. 5-2

AYES: McCue, Coggs-Jones, Broderick, West & Nyklewicz (Chair) – 5

NOES: Mayo and Johnson – 2

This item is cross-referenced with Org. 1950

ACTION BY: (West) Deny Amendment #1A011 by Supervisor Cesarz as set forth below. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

Amendment #1A011 (copy attached to original minutes) by Supervisor Cesarz to amend the County Executive's 2007 Recommended Budget for Org. Unit No. 1950, Employee Fringe Benefits, Org. Unit 1135 – Department of Administrative Services – Division of Labor Relations and Org. Unit 1151 – DAS – Administration and Fiscal Affairs, by adding the following language in each:

"The Department of Administrative Services – Division of Labor Relations and DAS – Fiscal, in conjunction with the Department of Audit and County Board staff, will create a valuation methodology for the purpose of buying out or otherwise negotiating the removal of certain previously granted pension benefits, including the BackDrop option, the payout of accrued sick leave, and the retention incentive plan benefits that increased the pension service credit multiplier from 1.5% to 2.0% and the 25% bonus to the final average salary calculation. A buyout or negotiation plan will be submitted to the Committees on Finance and Audit and Personnel by July 1, 2007."

This amendment would not increase tax levy.

Org. No.	Department (or Capital Project)	Expenditure	Revenue (or Bonds)	Tax Levy
1950	Emp. Fringe	\$0	\$0	\$0
1151	DAS – Fiscal	\$0	\$0	\$0
1135	DAS – Labor Rel.	\$0	\$0	\$0
TOTALS:		\$0	\$0	\$0

(If approved, the Adopted Budget narrative shall be modified as needed to reflect this amendment)

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

ORG. UNIT: 1140

BUDGET: DAS Human Resources Division

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE A, #405

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

APPEARANCES:

Charles McDowell, Director, Human Resources-DAS

Dr. Karen Jackson, Deputy Director, Human Resources-DAS

Mr. McDowell gave an overview of Human Resource's budget touching base on the levy amount, the reassessment of the current functions performed by HR, the expenditure of services, and the automated HRIS system.

Questions and comments ensued.

ACTION BY: (McCue) Approve Verbal Amendment #1A013 by Supervisor McCue as set forth below. 6-1

AYES: McCue, Coggs-Jones, Mayo, Johnson, West & Nyklewicz (Chair) – 6

NOES: Broderick – 1

Verbal Amendment #1A013 (copy attached to original minutes) by Supervisor McCue to amend the County Executive's 2007 Recommended Budget for Org. Unit No. 1140, Department of Administrative Services – Division of Human Resources, as follows:

Reduce the allocation for a professional services contract for benefit administration by \$50,000, to \$450,000.

This amendment would decrease tax levy by \$50,000.

Org. No.	Department (or Capital Project)	Expenditure	Revenue (or Bonds)	Tax Levy
1140	DAS - DHR	(\$50,000)		(\$50,000)
TOTALS:		(\$50,000)		(\$50,000)

ACTION BY: *(West) Provide the Committee with an org. chart for all departments with thirty or more employees, which should include manager to employee ratios and pay scales for filled and vacant positions in the level of hierarchy.*

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

ACTION BY: *(McCue) Approve the budget for Org. Unit 1140 as amended with the corrections as contained in the memo from the Department of Administrative Services (copy attached to original minutes). 7-0*

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

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ORG. UNIT: 1950

BUDGET: Employee Fringe Benefits [Non-Departmental]

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE A, #622

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

APPEARANCES:

Supervisor Paul M. Cesarz, 9th District

Mr. Agostini explained that this is a non-departmental account that the County uses to capture all of its fringe benefit costs. He indicated that the most notable accounts are 2007 costs associated with the medical insurance for employees as well as retirees and the retirement system contribution.

Questions and comments ensued.

Supervisor Cesarz presented his amendments to the Committee.

ACTION BY: (West) Deny Amendment #1A011 by Supervisor Cesarz as set forth below. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

Amendment #1A011 (copy attached to original minutes) by Supervisor Cesarz to amend the County Executive's 2007 Recommended Budget for Org. Unit No. 1950, Employee Fringe Benefits, Org. Unit 1135 – Department of Administrative Services – Division of Labor Relations and Org. Unit 1151 – DAS – Administration and Fiscal Affairs, by adding the following language in each:

“The Department of Administrative Services – Division of Labor Relations and DAS – Fiscal, in conjunction with the Department of Audit and County Board staff, will create a valuation methodology for the purpose of buying out or otherwise negotiating the removal of certain previously granted pension benefits, including the BackDrop option, the payout of accrued sick leave, and the retention incentive plan benefits that increased the pension service credit multiplier from 1.5% to 2.0% and the 25% bonus to the final average salary calculation. A buyout or negotiation plan will be submitted to the Committees on Finance and Audit and Personnel by July 1, 2007.”

This amendment would not increase tax levy.

Org. No.	Department (or Capital Project)	Expenditure	Revenue (or Bonds)	Tax Levy
1950	Emp. Fringe	\$0	\$0	\$0
1151	DAS – Fiscal	\$0	\$0	\$0
1135	DAS – Labor Rel.	\$0	\$0	\$0
TOTALS:		\$0	\$0	\$0

(If approved, the Adopted Budget narrative shall be modified as needed to reflect this amendment)

ACTION BY: (McCue) Deny Amendment #1A010 by Supervisor Cesarz as set forth below. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West & Nyklewicz (Chair) – 7

NOES: 0

Amendment #1A010 (copy attached to original minutes) by Supervisor Cesarz to amend the County Executive’s 2007 Recommended Budget for Org. No. 1950, Employee Fringe Benefits and Org. Unit 1151, DAS – Administration and Fiscal Affairs, by appropriating funds for design of a 401(k) – style pension plan and amending the Employee Health Plan Waiver participation count.

The following language is added in the narrative for Org. Unit 1151 and the Org. Unit 1950 under the section titled 5409- Retirement System Contribution:

“An appropriation of \$50,000 is included for DAS – Administration and Fiscal Affairs to retain a consultant to design a 401(k)-style pension plan to be implemented for new non-represented hires, with an anticipated effective date of July 1, 2007. The division will contract with the ERS actuary to assess the actuarial impact of this change in the pension plan. Any changes to the ERS will be submitted for approval to the Pension Board, the Pension Study Commission, and the Committees on Finance and Audit and Personnel.”

The following language is added to Org. Unit 1950 under the section titled 5403 – Health Benefits – Hospital, Professional, Major Medical and Dental Expense:

“In an effort to reduce the number of active employees who participate in the employee health plan, a revision to Chapter 17.14(7)(y) will be submitted in conjunction with the budget to increase the amount of the cash incentive for non-represented employees who elect to not enroll in or disenroll from the County’s employee health plan from \$500 to \$1,000. Similar language will be considered for inclusion in bargaining unit negotiations.”

The 2007 Recommended Budget anticipates 271 employees will exercise the \$500 Employee Health Plan Waiver at a cost of \$135,500. Increasing the cash incentive to \$1,000 will double the budgeted waiver cost to \$271,000 for 271 participants. Assuming annual health costs of \$11,634 per active employee, each additional employee who opts out of the health plan would produce a net savings of \$10,634.

For budgeting purposes, this amendment assumes 291 non-represented employees will elect to accept the waiver incentive, increasing Employee Health Care Waiver costs by \$155,500 to \$291,000. Accordingly, 20 employees are removed from the employee health plan, reducing Basic Health Benefits costs by \$212,680 to \$129,168,890 for a net tax levy reduction of \$57,180.

This amendment would reduce tax levy by \$7,180.

Org. No.	Department (or Capital Project)	Expenditure	Revenue (or Bonds)	Tax Levy
1151	DAS – Fiscal	\$50,000		\$50,000
1950	Emp. Fringe	(\$57,180)		(\$57,180)
TOTALS:		(\$7,180)		(\$7,180)

(If approved, the Adopted Budget narrative shall be modified as needed to reflect this amendment)

ACTION BY: (McCue) Lay over to 10/11/2006. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West &
Nyklewicz - 7

NOES: 0

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

ORG. UNIT: 1972

BUDGET: Wage Supplement Account [**Non-Departmental**]

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE B, #228

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

Mr. Agostini explained that this is a hold over from the 2006 Budget, which is made up of expenditures that were anticipated to be used to pay salaries and revenues. This year, there are no expenditures and revenues.

ACTION BY: (Mayo) Approve the budget as recommended by the County Executive. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West &
Nyklewicz (Chair) – 7

NOES: 0

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

ORG. UNIT: 1969

BUDGET: Medicare Part D Revenue [**Non-Departmental**]

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE B, #243

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

APPEARANCES:

Linda Seemeyer, Director, Department of Administrative Services

Questions and comments ensued regarding self-insured models versus fully-insured models.

ACTION BY: (Broderick) Lay over to 10/11/2006. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West &
Nyklewicz (Chair) – 7

NOES: 0

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

ORG. UNIT: 1921

BUDGET: Human Resources and Payroll System [**Non-Departmental**]

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE B, #329

STAFF PRESENT:

County Board: Steve Cady
Department of Administrative Services: Steve Agostini
County Executive: Ed Eberle

APPEARANCES:

William Borja, Chief Information Officer, Information Management Services (DAS)

Mr. Borja discussed the delay in having the payroll system implemented correctly. He indicated that there have not been any changes to the annual costs that were originally proposed and approved in the contract.

Questions and comments ensued.

ACTION BY: (West) Approve the budget as recommended by the County Executive. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West &
Nyklewicz (Chair) – 7

NOES: 0

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit

ORG. UNIT: 1939

BUDGET: Retirement Sick Allowances Payments [**Non-Departmental**]

FINANCE & AUDIT COMMITTEE HEARING DATE: October 10, 2006

CASSETTE NO. 5, SIDE B, #413

STAFF PRESENT:

County Board: Steve Cady
Rick Ceschin

Department of Administrative Services: Steve Agostini

County Executive: Ed Eberle

ACTION BY: (McCue) Approve the budget as recommended by the County Executive. 7-0

AYES: McCue, Coggs-Jones, Mayo, Johnson, Broderick, West &
Nyklewicz (Chair) – 7

NOES: 0

Jodi Mapp

Jodi Mapp Committee Clerk
Committee on Finance and Audit